

Central Intelligence Agency



Washington, D.C. 20505

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2 May 1983

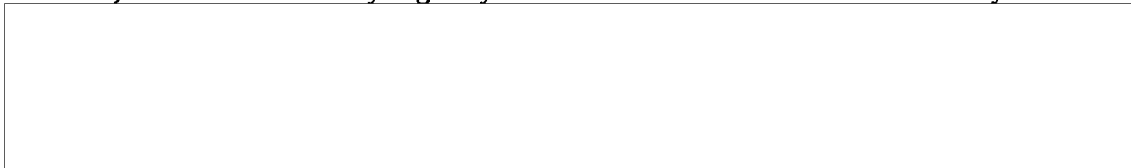
The Honorable Lloyd Bentsen
United States Senate
Washington, D.C. 20510

Dear Senator Bentsen:

Because my meeting with you on Tuesday may follow SSCI completion of its markup of the FY 84 CIA Program, I would like to foreshadow for you the points I hope to discuss when we meet. I regard your support for CIA's analytical capabilities as very important and wish to explain further several points, particularly concerning our economic analysis, that may have been unclear in the earlier markup session.

I understand that one of your principal concerns is that CIA is doing economic analysis that could just as well or perhaps better be done in other agencies such as Treasury, Commerce, Agriculture or Energy. While those departments do carry on important economic analysis in their respective areas, and we draw on their support, our work is unique and cannot be done in any of those places for the following reasons:

- First, we are the only agency to do all-source economic analysis.



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There is no one else in the government that brings together all these sources of information in one place.

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- Second, we are the only place in the government that brings together a wide array of different subjects (finance, trade, energy, political and military developments, etc.) and looks at them in an integrated way. Moreover, we are the only place that can put economic information together with relevant political and military information for a comprehensive examination of problems in specific countries and between East and West, and that can examine the political and military implications of economic developments.
- Third, we are the only organization that looks at economic problems from the national security perspective. Each of the relevant departments that does its own analysis does so principally from the



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standpoint of trade, commercial interests or American financial interest. Our sole purpose in doing economic intelligence is to put it in the national security context in terms of US political developments abroad, and dangers to our own defense programs posed by technological developments abroad.

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At the same time that I stress the uniqueness of our contribution, I want to assure you that we are working very closely with Treasury, Commerce, Energy and Agriculture. The relationship is mutually beneficial. We provide to them unique analysis

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The other agencies depend on us especially in the following areas:

- CIA for a generation has had a unique capability to analyze the Soviet economy and the implications of its performance for Soviet military programs.

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we have the only significant capability in this area in the government. All of the other agencies rely on us for analysis that involves the Soviet economy. Moreover, we are the principal agency working on the Soviet defense industries, particularly in terms of Soviet research and development, new technologies, their capability to produce new weapons, and analysis of economically based internal problems.

- We provide important early warning on international financial issues.

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[redacted] We were
the principal source of analysis and warning on economic conditions
in Poland which led to continuing political troubles there.

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- In energy, we concentrate on Western vulnerabilities to supply
disruptions and especially energy security issues surrounding Soviet
oil and gas exports. Again, the rest of the government depends
upon us (and is constantly tasking us) for assessments relating to
Soviet energy needs and capabilities. [redacted]

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You may have other reservations about our program and I would like to discuss
these with you in our meeting on Tuesday. I did, however, want to try to explain

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before the markup session the nature of our work in international economics
and the level of our cooperation with the other departments of the government.

Sincerely,

[Redacted Signature]

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Robert M. Gates
Deputy Director for Intelligence

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